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SUBJECT: BOSNIA - SILAJDZIC AND AVAZ: TROUBLE IN PARADISE?

REF: 07 SARAJEVO 2253

Classified By: POLCOUNS Michael J. Murphy. Reasons 1.4(b) and (d).

Summary

11. (C) Influential Bosniak daily Dnevni Avaz has recently featured a number of articles critical of Bosniak Presidency member Haris Silajdzic. The articles constitute a shift in the editorial stance of Avaz which had formerly been a staunch Silajdzic ally. Negative coverage of SBiH attempts to exert control of Federation-based power company Elektroprireda are an extension of this apparent campaign against Silajdzic. Many commentators are interpreting the articles as evidence of a schism between Silajdzic and highly influential Avaz owner Fahrudin Radoncic. Political analysts have focused on the murky business ties between Silajdzic and Radoncic and speculate that these relations have soured due to Silajdzic's reneging on commercial promises. The BiH Helsinki Committee vice president believes that a deterioration of relations between Silajdzic and Islamic Community leader Reis Mustafa Cerić, who is close to Radoncic and a key figure in Bosniak politics, could also have contributed to this shift. The negative coverage does not signal a complete break between Radoncic and Silajdzic, who openly feuded in the mid 1990s. Rather, it constitutes a shot across Silajdzic's bow which has put him on the defensive and suggests that Bosniak politics could realign if the dispute continues. END SUMMARY

A Reis Dissatisfied with Silajdzic

12. (C) On January 14, Srdjan Didždarevic, Vice President of the BiH Helsinki Committee, noted as significant that Avaz has recently begun to criticize Haris Silajdzic and his Party for BiH (SBiH). This represented a break from its editorial stance over the past two years which explicitly supported Silajdzic and SBiH and was influential in Silajdzic's defeat of SDA president Sulejman Tihić in the 2006 election for the Bosniak member of the Tri-Presidency. Didždarevic, a Bosniak and longtime Embassy contact, believes that a factor contributing to the shift in Avaz coverage is that the politically influential Islamic Community President, Reis Mustafa effendi Cerić, is dissatisfied with Silajdzic's performance at the Presidency. While Reis Cerić does not exert any direct control over Avaz, it is doubtful that owner Fahrudin Radoncic would turn against Silajdzic without at least tacit approval of the Reis.

Avaz Attacks Silajdzic

13. (U) On January 25, Dnevni Avaz published an article quoting Sefer Halilovic, president of the small nationalist Bosniak Patriotic Party (BPS), accusing Silajdzic of corruption and hypocrisy. Halilovic cataloged a list of complaints against Silajdzic. Halilovic attacked Silajdzic for his role in awarding Zenica's steel industry to the Kuwaitis in exchange for cancellation of foreign debt in 1998, noting the Kuwaitis subsequently made a 52 million KM (39.97 million USD) profit. He asserted that Silajdzic had assisted business partners with the acquisition of Tuzlanska Bank in the late 1990s implying it was deliberately undervalued and sold at a considerable profit. Halilovic ridiculed Silajdzic's oft-repeated claim that he lives in a 43-square-meter apartment in Sarajevo, noting Silajdzic owned a villa in an exclusive Istanbul suburb and an apartment in London. Halilovic also claimed that Silajdzic is now formulating a plan to control the energy sector, which, if implemented, would constitute "the biggest fraud launched from the smallest apartment." The article also quotes Halilovic as stating that Silajdzic is sending young Bosnians the message that they should not believe in their future in Bosnia. He explained that, if Silajdzic truly had faith in Bosnia, he would have a house in Sarajevo, send his children to school in Bosnia and maintain bank accounts in Bosnia.

14. (U) Five days later on January 30, Dnevni Avaz published two more articles critical of Silajdzic. One article quoted Mirnes Ajanovic, president of the Bosnian Party (BOSS) and Silajdzic's coalition partner prior to the 2006 elections, who accused him of making empty promises to coal miners about future investments, including construction projects and the building of hydro power plants. Ajanovic reminded the public that Silajdzic had previously made empty promises to Zenica steel workers. The second article, criticized Silajdzic for unfulfilled promises of foreign investment. The writer claimed that communities targeted for these investments are not being consulted even though they stand to lose in the process. On January 31, the Radoncic-owned tabloid magazine As published text messages from Silajdzic-affiliated lobbyists which it claimed showed that Silajdzic had abandoned Bosniak ideals and principles.

The Elektroprivreda Angle

15. (C) The editorial attacks on Silajdzic by Radoncic-owned media outlets occurs against the backdrop of the ongoing controversy over efforts by Haris Silajdzic and SBiH to assert control over Federation-owned power giant Elektroprivreda (reftel). In addition to the explicit attacks against Silajdzic, Dnevni Avaz has excoriated efforts by Federation Minister of Energy, Mining and Industry Vahid Heco who has openly attempted to replace the director and board of Elektroprivreda. These attacks on Heco, who admits he is acting on SBiH party orders, are an implicit, and even more politically damaging attack on Silajdzic's handling of a highly sensitive issue. The recent media criticism seems to have unsettled Silajdzic who has appeared off balance in recent television appearances. Television journalists have begun to ask Silajdzic explicitly if he is afraid of Dnevni Avaz and whether he can withstand the negative coverage. Silajdzic has pointedly refused to answer such questions and is clearly unwilling to publicly criticize Radoncic.

Comment

15. (C) The alliance between Haris Silajdzic and the media empire of prominent businessman Fahrudin Radoncic was a crucial element of the SBiH victory in 2006 elections which bestowed Silajdzic with the mantle of spokesman for Bosniak interests. Bosnian political circles are rife with rumors that this relationship is crumbling due to disagreements over Silajdzic's failure to award key contracts to Radoncic

associates. Radoncic exercises close editorial control over his media outlets and criticism of Silajdzic in the pages of Dnevni Avaz is a clear indication of a divergence between the two. It is interesting that SDA vice president Bakir Izetbegovic has been relatively quiet in recent months and has refrained from joining the chorus of criticism of Silajdzic. However, the Bosnian tabloid press has asserted that Izetbegovic and Radoncic are meeting regularly. Radoncic and Avaz were instrumental in rehabilitating Silajdzic after his return to Bosnian politics. In doing so Avaz consciously turned a blind eye to Silajdzic's suspect business interests and lifestyle. Should Radoncic choose, as he did in 1996, to fully break with the SBiH president, Silajdzic could be quickly discredited among the Bosniak electorate. It is important to note that the criticism of Silajdzic has nothing to do with Bosniak political ideology but rather control of the lucrative Bosniak share of privatizations and government contracts. End comment.

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